

Water in Idaho

Overview

Among the ways the Idaho Department of Environmental Quality (DEQ) works to protect public health is by maintaining or improving the quality of Idaho's drinking water. Most of Idaho's drinking water (96%) comes from ground water aquifers and is pumped to the surface by wells.

This brochure provides information on two drinking water programs administered by DEQ — the Drinking Water Revolving Loan Fund and the Idaho Planning Grant Program. Both programs are designed to assist public water systems finance the costs of infrastructure needed to achieve or maintain compliance with state and federal drinking water standards and to protect public health.

For More Information

Additional information on both programs is available from DEQ's Water Quality Division. Contact DEQ's State Office at (208) 373-0502 or visit DEQ's Web site at www.deq.idaho.gov.

FY 2005 Recipients

A total of 4 drinking water loans and 12 drinking water grants were awarded to the following recipients in FY 2005:

- Cities of Atomic City, Bancroft, Bonners Ferry, Dayton, Dubois, Inkom, Malad, McCall, Preston, and Weston
- Bear Lake West Homeowners Association in Bear Lake County
- Caribou Acres Homeowners Association in Bannock County
- Desert View Homeowners Association in Ada County
- Falls Water Company in Bonneville County
- Fish Haven Water Company in Bear Lake County
- Garden Valley Ranchettes in Boise County

Idaho's Drinking Water Revolving Loan Fund and Planning Grant Program

Helping public water systems provide safe drinking water to Idaho communities



Printed on Recycled Paper

Costs associated with this publication are available from the Department of Environmental Quality in accordance with Section 60-202, Idaho Code.
(Updated: 07/05)



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Drinking Water Revolving Loan Fund

The Drinking Water Revolving Loan Fund provides below-market-rate interest loans to help repair or build new drinking water facilities. Eligible facilities include water supply, treatment, storage and distribution. Loans of up to 100% of project costs may be awarded for facility planning, project design, and/or construction.

Eligibility

Community water systems and non-profit, non-community water systems are eligible to participate in the Drinking Water Loan Program. Community water systems serve at least 15 service connections used by year-round residents or regularly serve at least 25 year-round residents. Non-community water systems regularly serve at least 25 of the same persons over six months in a year.

Interest Rate

The interest rate is established annually on the basis of 75% of the index of 20-year obligation bonds. The interest rate for most loans issued in FY2006 is 3.25%. These loans must be fully repaid within 20 years of project completion. Some applicants may qualify as “disadvantaged” and be eligible for an interest rate as low as 0% and a 30-year repayment schedule.

Source of Revenue

Funding is derived from four sources. Congress appropriates funds to the U.S. Environmental Protection Agency (EPA), which then allots those funds to the states based upon set formulas. Each state is required to provide a 20% match. Idaho’s match comes from a transfer to the loan account from the Water Pollution Control Account. Loan repayments and interest earnings provide other resources for new drinking water loans.

FY 2006 Allocation

Funds available for FY 2006 loans are \$28.4 million. A total of 15 projects are slated to receive funding in FY 2006.

How to Apply

DEQ queries drinking water systems regularly to obtain information on projects for which loan funds could be used. Potential projects must first be listed on the state’s annual Priority List, developed through a rating and ranking process based upon public health concerns. Fundable projects on the Priority List are placed on the Intended Use Plan.

Once funding is secured from the EPA and the state match is provided, communities with projects on the Intended Use Plan are invited to submit applications. After review of the application and satisfaction that all environmental and legal requirements have been met, a loan may be offered.

Idaho Planning Grant Program

DEQ awards grants to municipalities to help prepare facility planning documents for construction of drinking water and distribution systems. Grants may be used to plan upgrade work at existing facilities or new systems. Grants may cover 50% of eligible planning costs, with communities providing the other half.

Eligibility

Drinking water planning grants are available for community water systems and non-profit, non-community water systems.

FY 2006 Allocation

Funds available for FY 2006 grants are estimated at \$250,000. Fourteen projects are slated to receive funding in FY 2006.

How to Apply

At the beginning of each calendar year, DEQ sends a Letter of Interest inviting communities to inform the agency of grant requests. Responses are evaluated, rated and ranked by DEQ for inclusion on the next annual Priority List. The highest rated projects for which funding exists are invited to submit grant applications.